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INFORMATION REPORT

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COUNTRY USSR

SUBJECT Opinions of Certain US Experts on: (a) Purge of Beria and Leadership Succession; (b) Soviet Foreign Policy; (c) Effect of Soviet Internal Developments on Asian Soviet Foreign Trade and Domestic Economy

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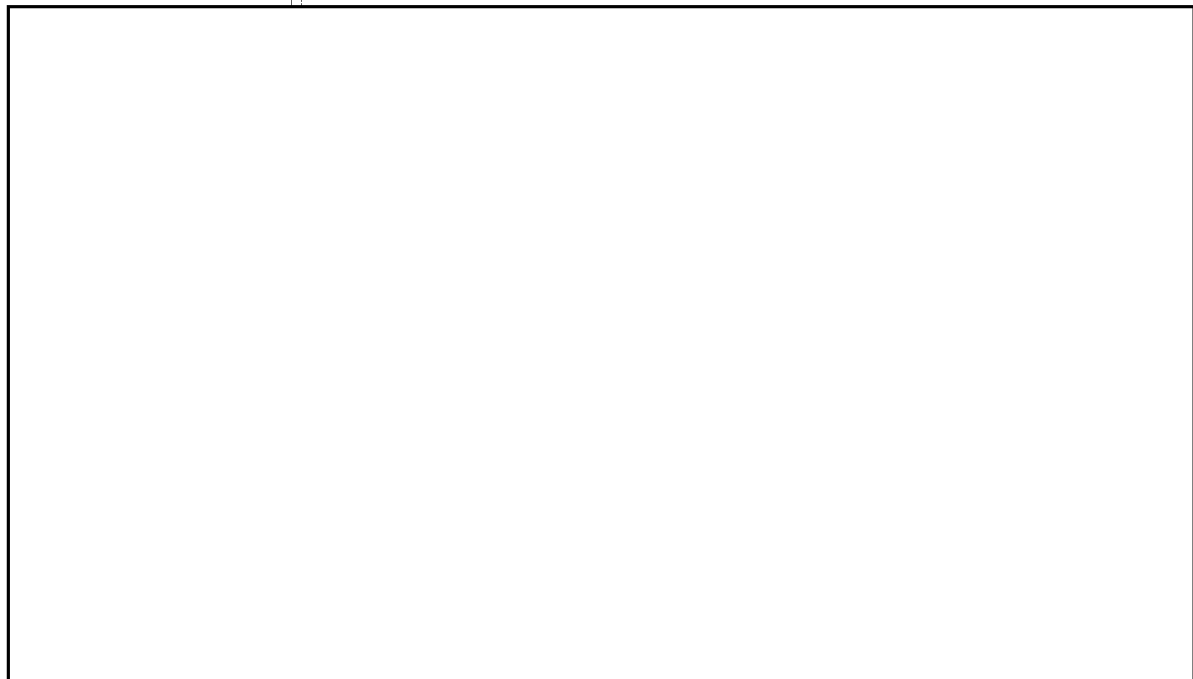
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Soviet post-World-War II policy has generated, has been building up for about a year and will continue into the future. the reasons for this retreat

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are as clear as the reality of the retreat itself and are simply the natural Soviet response to (a) the growth of an unexpected (in Soviet eyes) spirit of resistance and capability for resistance in the free world and (b) rebelliousness in the Satellites similar to that which developed in Russia in 1920 and 1921.

2. It is an interesting question whether, and to what extent, Beria's removal from the scene may be related to this evolving shift in Soviet tactics. [] do not believe that Beria was opposed to a policy of international relaxation but [] do suspect that he was less inclined than the other Soviet leaders to soften the rigors of Communist dictatorship in the Satellites. This could have reinforced an existing opposition to Beria on the part of both the Army and the Party bureaucracy and given them a degree of ideological common cause on which to combine against him. But while this is conjecture, it is obvious that Beria's arrest represents a stunning victory over the Soviet police organization by the Party bureaucracy and the Army and it is only a little less obvious, [] the Soviet Army has acquired in the process important new influence in Soviet affairs.
3. General Omar Bradley has given clear and well-publicized expression to the view that the convulsions now taking place in the USSR and its Satellites are fraught with peril as well as opportunity for the West. This view is based on a sound regard for historical precedent and it is useful in calling attention to the inclination of weakening dictatorships to resort to military adventures. [] do not think there is more than a very slight chance that the men in the Kremlin would deliberately invite another world war as a way out of their difficulties. If this were the world of 1925 and the USSR were in substantially the same position as today, [] would regard Soviet military aggression as a strong possibility. But [] the Soviet leaders are sufficiently impressed by the nature of a world war in 1953 to avoid such a war except under the most desperate circumstances. [] a mass uprising within the USSR itself might impel the Soviet leaders to resort to war, but there seems little likelihood that such an uprising could occur in the foreseeable future.
4. [] it highly probable that a sharp difference of opinion between Beria and the other Soviet leaders on the "state's rights" issue was a major factor in Beria's downfall. We tend [] to underestimate the degree of friction on broad issues which always exists at the highest level of Soviet leadership. Malenkov and others at the top undoubtedly had their own reasons for wanting to remove Beria but Beria's isolation on the nationality question could have been - and in my opinion probably was - a critical factor. Already there are signs of tightened administration in the republics and of the suppression of cultural nationalism. This trend will continue until it reaches, in the minds of the present Soviet leaders, the point of diminishing returns.
- [] disagree with the theory now being advanced by some people that unrest in the Satellites led to Beria's fall. [] doubt the existence of any causal connection between these events. [] also doubt the likelihood that Beria's removal will build up into a purge on the 1937-38 scale. [] suspect that the purge will go no further than the uppermost levels in the various republics. The acquisition of unprecedented political power by the Soviet Army is a belief which seems to have gained fairly wide acceptance since Beria's arrest, but [] think the chances are against it. All indications point to Malenkov as the top man and while the Army was certainly on his side against Beria, [] doubt that the Army has emerged because of that with any significant accession of power.

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6. Another currently fashionable point of view with which [] in disagreement is that further spectacular arrests are likely in the near future. [] would not dare to predict this will not happen and [] do not belittle the theory of the inevitable concentration of power in a state such as the USSR. But [] we ought to take seriously the attention which the Soviet press is now giving to the Leninist doctrine of "collective leadership". The memory of Stalin is being de-emphasized and Malenkov, who is at least primus inter pares, is not being peddled as a demigod. We ought at least to be prepared for the possibility that the USSR will be governed for some time to come by something which, if not actually collective leadership, will be made to appear as such and will be really closer to collective leadership than at any time since Stalin's rise to power.
7. [] the USSR is politically overextended and that this overextension is the outstanding fact about the USSR at the present time. It will take years for the USSR to digest its satellite empire, if it can be digested at all. It is one thing for a military and political power to colonize in Asia and Africa. It is another thing for a country such as the USSR to organize and control a national civilization which is equal or superior to its own. The leadership of the USSR has changed none of the long-range goals to which it is committed by doctrine, but the USSR is now clearly embarked on a tactical shift of policy seeking to reduce international tensions and free its energies for the primary task of consolidation.
8. The Beria affair seems to be the beginning of a struggle for power whose eventual outcome no one can foresee. Beria's public statements at Stalin's funeral show that he was very strong at that time and that he probably already held much of the power which he has now been accused of trying to usurp. [] do not think that Satellite discontent played any part in Beria's fall. [] inclined to believe that Malenkov and the Army joined together to rid themselves of what each regarded as the most dangerous opponent. The Army may well have played the key role in engineering Beria's arrest and may now possess unprecedented political power in the USSR. [] evidence for or against a new role for the Army must soon be forthcoming. If the Army has won political power through the elimination of Beria, there will have to be changes in the top command reflecting the positions of individual officers in the new scheme of things. For there cannot have been unanimity among the Soviet military leaders on the question of leadership and those who were out of step with events will suffer for it. Only Voroshilov, if he were on the wrong side, would be immune. The absence of early changes in the top military level would indicate to me the probability that the Army, although siding with Malenkov against Beria, has not in fact acquired significant political power.
9. [] the Soviet tactic of softening its foreign policy and encouraging a reduction in international ill-feeling will last as long as the internal struggle for power is unsettled. All contestants for power have a stake in a more moderate policy since each will fear that sharp international difficulties might throw the balance to the other fellow. All candidates will prefer to take their chances on succeeding through internal alliances and intrigue and will be distrustful of the political advantage of provocations with unforeseeable risks. My intuition, based on living most of my life with Eastern European politics, tells me that Molotov will be the next to go. It seems to me - and again my view is based more on intuition than on evidence - that Molotov is the natural Bukharin in the present picture and is more likely than anyone else to follow Beria into oblivion, as Bukharin followed Trotsky.
10. One fact concerning Beria is worth noting in connection with his fall from power, although [] it was specifically involved in the recent events. Of the Soviet leaders who might logically aspire to Stalin's personal power, Beria was by a considerable margin the most feared and detested by the Soviet masses. From 1937 until the present, some 10 million persons have passed through the punishing hands of Beria as the senior Soviet policeman.

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This means that perhaps 40 million people in the USSR have been directly or indirectly affected by him. The hypothesis suggests that if that is, as indications show, a major attempt to reduce internal discontent as well as external tension is underway, the removal of Beria might well have been regarded by his enemies as an effective appeal for popular favor.

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11. The present so-called "struggle for power" in the USSR does not constitute a serious crisis. The regime is as stable now, in spite of the purge of Beria, as it was before the death of Stalin.
12. The problem of succession had been under discussion in the highest levels of the Government and Party in the USSR since 1941. The idea of a continually operating collective leadership of the country has been pretty well accepted within the USSR. Stalin had suggested a five-man presidium of the Politburo which would act as a Directory of both the Government and the Party. His proposition fell through because of internal jealousies. Malenkov, incidentally, was not included among the original five. The present situation is essentially a revival of this same idea.
13. Another proposition was to broaden the base of the Central Committee structure. There had been pressure from certain Party centers to enlarge the Politburo to permit larger participation by the Party centers. The recent reorganization of the Politburo from 14 to 25 was to show the country that new blood was being brought into the leadership in preparation for Stalin's death. This was all a part of a deliberate program to prepare the populace for the idea of a collective leadership to replace Stalin. Eventually one man would be built up into a symbol of leadership, but this might be a matter of years as it was in the case of Stalin. Meanwhile it was best to prepare the populace for the idea that the real seat of power is a committee of the Central Committee.
14. Stalin's death probably came somewhat earlier than expected and the populace was not yet quite ready for the idea. Malenkov was the logical man to emerge in a position of leadership for several reasons: (a) there was a long history of close personal association between Malenkov and Stalin; (b) every other major candidate had something wrong with him that disqualified him either by age, race, or intelligence; (c) Malenkov's designation was anticipated by his selection to make the political report at the Party Congress, following in the footsteps of Lenin and Stalin.
15. The Red Army is the obedient tool of whoever leads the Party, so there should be no trouble from that quarter. There is no military man in sight with sufficient strength of character to assume a dictatorship. Bulganin is not a military man; he is a Political Marshall. Voroshilov who has never shown any military talent, cannot be considered a military man, either.
16. A military threat of all-out war does not exist at present, and has not in fact existed since the development of the atomic bomb. Before such a threat can exist, the USSR must: (a) build up a stockpile of atomic weapons; (b) make itself as strong as possible, economically as well as militarily; (c) make as many allies as possible; (d) neutralize as many other countries as possible and (e) perfect plans to make prompt seizure of German industry in the Ruhr Valley and the oil of the Middle East. Although all-out war is unlikely in the near future, there has been no abandonment of the Stalin concept of "active defense" which includes minor aggressions of a scattered and temporary nature.
17. In view of the above I would venture the following predictions: (a) there will be no violent struggle for power within the USSR; (b) there will be no serious repercussions among the populace; (c) there may be a relatively quiet period of perhaps as long as 10 years during which the USSR will consolidate its gains in Europe and China, and build up the Soviet economy to withstand the showdown which may come by 1965 or 1970.

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18. [] the death of Stalin and the contest for power which that event has set in motion are bound to have important effects on the Moscow-Peiping relationship and on Mao Tse-tung's influence in Asia. The death of Stalin alone has altered the international position of Mao by making him, in Asian eyes, the world's foremost Communist. The present situation in the Kremlin seems to assure that no new Soviet personality will soon emerge to such a degree as to eclipse Mao. The significance of this is crucial in India, in my judgment. There is perhaps no more important fact in India's present political life than the profound attraction which Mao Tse-tung has for Indian intellectuals, even those who distrust Moscow and the Moscow-directed international Communist campaign. [] talked with many of these intellectuals and have seen their attempts to resolve their dilemma by insisting that the Peiping-Moscow accord is strictly voluntary on the part of Peiping and that it will last only as long as it suits Mao's purposes. Yet [] the Indians who argue thus are uncomfortably aware of their rationalization and of the fact that they wish for, rather than believe in, Peiping's independence. The seemingly fluid leadership situation in Moscow, as a result of Beria's fall, will have the effect of weakening the suppressed doubts of these Indians as to Mao's personal strength and independence in the Communist world. I am afraid the stage is set for the development of an Indian policy more favorable than ever toward the Peiping regime.

19. As regards the actual relations between Peiping and Moscow, the factor of Mao's personal attitudes toward Soviet leaders should be taken into account. There is evidence that Mao respected and admired Stalin. Chang Kuo-tao has told me that Mao used to refer to Stalin as a "smart operator". It seems almost certain that Mao was inclined to defer to Stalin. I believe it unlikely that he will be inclined to defer to any of the present Soviet leaders. There can be little doubt about a continuing close relationship between China and the USSR but recent events have certainly increased Mao's bargaining position within that relationship. Mao's relative prestige has grown considerably and the power which has controlled, or at least directed, him is beset with internal difficulties.

20. [] expect Mao Tse-tung to press for a more favorable trade balance with the USSR. Assuming USSR dictation in China's affairs, [] also expect him to seek a freer hand to play by ear in many areas of domestic policy. Mao has always been cautious and canny in the political exploitation of agrarian problems, and he has pushed much harder in this sphere during the past 18 months than [] would have expected him to. It seems [] that the Korean War and pressures from Moscow probably forced him to tighten up internally more than he felt was really desirable. [] Mao will now ease up in various sectors on the home front and, at the same time, begin to promote himself more and more as the leader of a "New Asia".

[] India's vulnerability is gravest. Burmese leaders seem clearer-headed on Communist China and less susceptible to Mao as a man and as a symbol. The Thai political structure is weak, opportunistic, and unreliable, and the effect on Thailand of such new power and prestige as Mao may acquire is unpredictable. [] not followed the internal situation in the other Asian countries closely enough in recent months to hazard a comment where they are concerned.

21. In an effort to reach a better understanding of recent events in the USSR and their significance in respect to economic relations with the rest of the world, [] recently reviewed all of Malenkov's speeches and public statements to try to detect his personal views. As a result, [] come to the conclusion that although there may be temporary tactical changes from time to time, there will be no fundamental change in the basic policies of the USSR under the new regime. []

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22. Foreign trade is a very small factor in the economy of the USSR, less than 1.3% of the national income, but the Soviets make very effective use of it as an instrument of foreign policy. The pattern of Soviet foreign trade is as complex as their foreign policy, varying from time to time and place to place as expediency dictates.
23. In the Scandinavian countries the USSR makes effective use of foreign trade for propaganda purposes. Soviet economic missions in these countries play up US tariffs, import quotas, and discrimination on shipping, and at the same time offer attractive terms in order to establish trade relations that can later be used for political advantage. In practice, however, the more experience the Scandinavians have with Soviet trade, the less they like it. For instance, when Denmark exported butter to the USSR in 1952, the Soviet ships were never ready to take cargo at the date and hour agreed upon and the Soviets complained about everything imaginable, saying the casks were not brand new, the foil was of inferior quality, etc, when actually everything was completely up to international standards according to agreed specifications. There were so many unfair complaints that eventually the Danish Butter Cooperative became thoroughly disgusted with the entire transaction. This sort of thing has come to be the general rule in trade between the Scandinavian countries and the USSR. If there were adequate alternatives available, the Scandinavians would not trade with the USSR. They consider this trade a last resort.
24. In Germany, Soviet policy is to encourage Western Germany to expand her exports to the USSR and benefit by imports from the Ukraine. This policy has been quite successful with the result that Soviet political influence in Western Germany is increasing, and the Soviet Union is confident of gaining political control over the whole of Germany by means of pressures developed through this trade.
25. In France and the UK, the Soviets are encouraging the attitude that trade is a neutral thing and that a reasonable amount of trade can be carried on without endangering political relationships. These countries already feel that the US attitude toward trade with the USSR is too strong and unnecessarily restrictive. Soviet propaganda stresses the point that foreign trade has strong potentials for peace and is not to be considered only a means of developing war potential. Consequently, feeling in France and Britain is strong that considerable ad hoc trade is possible without jeopardizing their independent positions in the free world.
26. In Japan the Soviet Union can be expected to grant ostensibly attractive trade concessions as soon as Japan discovers that trade with Southeast Asia cannot be expanded sufficiently to offset the loss of Korean War purchases. The motive here, too, is increased political influence.
27. In the Middle East and South Asia, in addition to offering favorable trade terms, the USSR can be expected to offer assistance in the industrialization of underdeveloped areas. Her techniques may include the export of entire factories. In Iran the USSR will offer technicians, construction of pipelines, and propaganda to convince the Iranians that the USSR is Iran's best hope for protection and economic rehabilitation. In this effort the USSR may move very slowly and with great perseverance, taking plenty of time to gain the confidence of the people. India should be closely watched for efforts by the USSR to tie her into the orbit economically through the purchase of industrial raw materials.
28. In Indochina, a truce may follow the truce in Korea. This tactic would be related to one of the major problems of the USSR: the prevention of the formation of the European Defense Community/EDC. A truce in Indochina would strengthen France's case against the EDC, and possibly result in reduced defense expenditure in both France and the US. From then on, through trade, the USSR might be able to gain a greater amount of control in Indochina than through military action of the Viet Minh. The USSR would not be prepared for sustained military effort on a major scale against the free world until both Iran and Indochina are under effective control.

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29. Throughout the free world the Soviets can be expected to play up the idea of co-existence more and more, and that increased free trade will be to the mutual gain of all countries. If free trade and its promised benefits fail to materialize, the Soviets will place all blame on the restrictive policies of the US.
30. In the Satellites the USSR has not been able to gain complete economic control, even under the Molotov plan. When Poland was allowed greater freedom in her foreign trade, she immediately turned to the West. It is a mistake to consider the USSR and Satellites as one trading area. The expansion of Western trade with the Satellites might not necessarily result in strengthening the position of the USSR. It is conceivable that ad hoc agreements for trade with Poland and Czechoslovakia might eventually be exploited to the benefit of the US. However, the use by the USSR of the Satellites and other third countries as a means of increasing her capital strength through trade must be closely watched.
31. The present high level of military expenditures in the US and USSR is bleeding the USSR worse than it is the US. This is a primary reason for the Kremlin's desire to reduce international tensions temporarily. For the immediate future, perhaps for a period of several years, we can expect the USSR to use economic penetration rather than military strength as a tool of foreign policy. This will give Malenkov a better opportunity to strengthen his position at home, particularly vis a vis Bulganin and the Army. Promises to increase the per capita standard of living have been made to the people of the USSR so often and for so long that it has become an urgent obligation on the Kremlin to increase the output of consumer goods. Some of these promises must be kept to keep the people from becoming too dissatisfied. This can be done only at the expense of the war machine, and is dependent upon a relaxation in international tensions.
32. All this adds up to a definite tactical change toward peace to reduce cold war tensions and mislead the free world, but it does not indicate any fundamental change in long term objectives.

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